Li-FT POWER LTD.

Condensed Interim Consolidated Financial Statements
For the three months ended February 29, 2024 and February 28, 2023
(Unaudited - Expressed in thousands of Canadian dollars unless otherwise noted)

Li-FT POWER LTD.

Condensed Interim Consolidated Statements of Financial Position
As at February 29, 2024 and November 30, 2023
(Unaudited - Expressed in thousands of Canadian dollars unless otherwise noted)

	Note	February 29, 2024	November 30, 2023
Assets		**$**	**$**
Current			
Cash and cash equivalents	4	6,590	17,737
Amounts receivable	5	1,927	2,581
Prepaid expenditures	6	2,676	4,631
Total current assets		**11,193**	**24,949**
Non-current			
Right-of-use leased assets		166	449
Exploration and evaluation properties	8	247,058	236,304
Equipment		359	11
Total Assets		**258,776**	**261,713**
Liabilities and Shareholders' Equity			
Current			
Accounts payable and accrued liabilities	9	2,376	2,238
Lease liabilities		64	183
Flow-through share premium liability	12	2,408	5,885
Total current liabilities		**4,848**	**8,306**
Non-current			
Lease liabilities		114	131
Deferred income tax liability		9,827	8,084
Total Liabilities		**14,789**	**16,521**
Share capital	10	239,912	239,912
Share-based payment reserve	10	3,263	2,547
Retained earnings		812	2,733
Total Equity		**243,987**	**245,192**
Total Liabilities and Shareholders' Equity		**258,776**	**261,713**

Going concern (Note 2)
Subsequent events (Note 16)

Approved and authorized for issuance by the Board of directors on April 25, 2024 by:

/s/ Kenneth Scott — Kenneth Scott, Director

/s/ Iain Scarr — Iain Scarr, Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Li-FT POWER LTD.
Condensed Interim Consolidated Statements of Net Loss and Comprehensive Loss
For the three months ended February 29, 2024 and February 28, 2023
(Unaudited - Expressed in thousands of Canadian dollars unless otherwise noted)

		Three months ended	
	Note	February 29, 2024	February 28, 2023
		$	$
Operating expenses			
Amortization		52	-
Director fees	11	23	-
Filing fees		56	28
Investor relations		2,652	51
Management, consulting fees and salaries		251	320
Office expenses		70	26
Professional fees		41	63
Project evaluation		-	19
Share-based payments	10	653	-
Travel expense		94	42
Loss from operations		**(3,892)**	**(549)**
Other (expenses) income			
Finance expenses and other		(6)	(2)
Foreign exchange gain (loss)		80	(8)
Interest income		162	50
Loss before income taxes		**(3,656)**	**(509)**
Deferred income tax recovery		1,735	-
Net loss and comprehensive loss for the period		**(1,921)**	**(509)**
Net loss per share, basic and diluted		(0.05)	(0.02)
Weighted average shares outstanding, basic, and diluted		**40,864,177**	**30,465,063**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Li-FT POWER LTD.
Condensed Interim Consolidated Statement of Changes in Shareholders' Equity
For the three months ended February 29, 2024 and February 28, 2023
(Unaudited - Expressed in thousands of Canadian dollars, except share and per share amounts)

	Number of common shares	Share capital	Share-based payment reserve	(Accumulated deficit)/ retained earnings	Total
		$	**$**	**$**	**$**
Balance, November 30, 2022	**18,465,063**	**12,225**	**5**	**(816)**	**11,414**
Shares issued for exploration and evaluation properties (Note 10)	18,000,000	198,000	-	-	198,000
Net loss and comprehensive loss for the period	-	-	-	(509)	(509)
Balance, February 28, 2023	**36,465,063**	**210,224**	**5**	**(1,325)**	**208,905**
Balance, November 30, 2023	**40,864,177**	**239,912**	**2,547**	**2,733**	**245,192**
Share-based payments (Note 10)	-	-	716	-	716
Net loss and comprehensive loss for the period	-	-	-	(1,921)	(1,921)
Balance, February 29, 2024	**40,864,177**	**239,912**	**3,263**	**812**	**243,987**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Li-FT POWER LTD.

Condensed Interim Consolidated Statements of Cash Flows
For the three months ended February 29, 2024 and February 28, 2023
(Unaudited - Expressed in thousands of Canadian dollars unless otherwise noted)

	February 29, 2024	February 28, 2023
	$	$
Cash flows from operating activities		
Net loss for the period	(1,921)	(509)
Adjustments for:		
Amortization	52	-
Share-based payments (Note 10)	653	-
Deferred income tax recovery	(1,735)	-
Changes in non-cash working capital items:		
Decrease (increase) in amounts receivable	654	(12)
Decrease (increase) in prepaid expenditures	527	(28)
Increase (decrease) in accounts payable and accrued liabilities	30	61
Total cash used in operating activities	**(1,740)**	**(488)**
Cash flows from investing activities		
Exploration and evaluation expenditures	(9,155)	(727)
Equipment purchases	(247)	-
Acquisition of subsidiary, net of cash received	-	10,375
Total cash used in investing activities	**(9,402)**	**9,648**
Cash flows from financing activities		
Interest paid on lease liability	(5)	-
Proceeds from loan received	-	505
Total cash provided by financing activities	**(5)**	**505**
Change in cash and cash equivalents	**(11,147)**	**9,665**
Cash and cash equivalents, beginning	**17,737**	**5,442**
Cash and cash equivalents, end	**6,590**	**15,107**
Supplemental information / non-cash flow items		
Share-based compensation relating to exploration and evaluation properties	716	-
Change in prepaid expenses relating to exploration and evaluation properties	1,428	-
Change in accounts payable and accrued liabilities relating to exploration and evaluation properties	108	-
Interest received in cash	125	-
Shares issued for exploration and evaluation acquisitions	-	198,000

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

(Unaudited - Expressed in thousands of Canadian dollars unless otherwise noted)

1. NATURE OF OPERATIONS

Li-FT Power Ltd. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on May 28, 2021. The Company is an exploration stage company engaged in the acquisition, exploration, and development of mineral properties with a focus on lithium. The Company is listed on the Toronto Stock Exchange - Venture ("TSX-V") with the symbol "LIFT", on the OTC QX with the symbol "LIFFF" and on the Frankfurt Stock Exchange with the symbol "WS0".

The head office of the Company and principal address is 1218 – 1030 West Georgia Street, Vancouver, BC V6E 2Y3. The registered address and records office of the Company is located at 2080-777 Hornby Street, Vancouver, BC V6Z 1S4.

2. BASIS OF PRESENTATION AND GOING CONCERN

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting, under International Financial Reporting Standards issued by the International Accounting Standards Board ("IFRS"). These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the most recent audited annual financial statements of the Company. These condensed interim consolidated financial statements do not contain all of the information required for full annual financial statements. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended November 30, 2023, which were on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. Realization values may be substantially different from carrying values as shown in these condensed interim consolidated financial statements and do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company has incurred losses from inception and does not currently have the financial resources to sustain its operations and exploration programs. These factors may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company (Note 16 – subsequent events provides the details of financing which completed in March 2024).

The unaudited condensed interim consolidated financial statements are presented in Canadian dollars, which is also the Company's and its subsidiaries' functional currency, except where otherwise indicated. All values are rounded to the nearest thousand dollars, except per share values.

The condensed interim consolidated financial statements of the Company for the interim period ended February 29, 2024, were approved, and authorized for issue by the Board of Directors on April 25, 2024.

Basis of Consolidation

For the current financial year beginning on December 1, 2023, these condensed interim consolidated financial statements include the accounts of the Company, and its Canadian subsidiaries as follows:

Subsidiary	Ownership interest	Jurisdiction	Nature of Operations
Yellowknife Lithium Ltd.	100%	BC, Canada	Mineral exploration
EREX International Ltd.	100%	BC, Canada	Mineral exploration

Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the condensed interim consolidated financial statements.

2. BASIS OF PRESENTATION AND GOING CONCERN (continued)

Future accounting standards and interpretations

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have significant impact on the Company's financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim financial statements in accordance with IFRS requires management to make estimates, judgements, and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the interim financial statements, and the reported amount of revenues and expenses during the period. The Company's most significant accounting judgements relate to the going concern assessments, ongoing viability of its exploration and evaluation properties, determining if an acquisition is a business combination or an asset acquisition, and the assumptions used to estimate share-based compensation.

(i) SIGNIFICANT JUDGEMENT

(a) Going concern

In preparation of these condensed interim consolidated financial statements on a going concern basis, as disclosed in Note 2, management's critical judgement is that the Company will be able to meet its obligations and continue its operations for the next twelve months. Actual amounts could differ from these estimates.

(b) Impairment indicators for exploration and evaluations properties

Management must also determine if there are indicators that its rights to explore its exploration and evaluation properties have expired or may expire in the future, that future exploration and evaluation plans are not warranted, or that the development of the properties or portions thereof is unlikely to recover existing exploration and evaluation costs. Should any of these indicators be present, the exploration and evaluation properties could be impaired.

(c) Business combination or asset acquisition

With each acquisition, the Company has to determine whether it should be accounted for as a business combination or an asset acquisition. As dictated by IFRS 3, the components of a business must include inputs, processes and outputs. Management has assessed its acquisition and has concluded that it did not include all the necessary components of a business. As such, it was recorded as an asset acquisition, being the purchase of exploration and evaluation properties and/or working capital.

(ii) SIGNIFICANT ESTIMATES

(a) Share-based payments

The Company uses the Black-Scholes Option-Pricing Model to estimate the fair value of options and warrants, which requires the input of subjective assumptions including the expected price volatility of the Company's common shares and the expected life and forfeiture rate of the security. Changes in these subjective input assumptions can materially affect the fair value estimate.

(Unaudited - Expressed in thousands of Canadian dollars unless otherwise noted)

4. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents as at February 29, 2024 and November 30, 2023 consist of the following amounts:

	February 29, 2024	November 30, 2023
	$	$
Cash	3,565	13,712
Cash equivalents	3,025	4,025
Total Cash and Cash Equivalents	**6,590**	**17,737**

5. AMOUNTS RECEIVABLE

The Company's amounts receivable as at February 29, 2024 and November 30, 2023 consist of the following amounts:

	February 29, 2024	November 30, 2023
	$	$
Goods and services tax receivable	1,890	1,407
Revenue Quebec exploration tax credit	-	1,144
Interest receivable	37	30
Total Amount Receivable	**1,927**	**2,581**

6. PREPAID EXPENDITURES

The Company's prepaid expenditures as at February 29, 2024 and November 30, 2023 consist of the following amounts:

	February 29, 2024	November 30, 2023
	$	$
Cash advance to Operator of Yellowknife exploration (1)	2,259	2,494
Cash advance to Operator of Quebec exploration (1)	240	1,432
Other prepaid expenditures	177	705
Total Prepaid Expenses	**2,676**	**4,631**

(1) Balances presented are net of amounts incurred on exploration and evaluation expenditures during the periods.

(Unaudited - Expressed in thousands of Canadian dollars unless otherwise noted)

7. ACQUISITION OF YELLOWKNIFE LITHIUM PROJECT

On December 30, 2022, the Company, through a wholly-owned subsidiary, completed its amalgamation with 1361516 B.C. Ltd. (the “Target”) and received all the outstanding common shares of this privately held mineral exploration company, which owns the Yellowknife Lithium Project (“YLP”) located in the Northwest Territories, in exchange for 18,000,000 common shares of Li-FT Power Ltd. (the “Yellowknife Lithium Transaction”). The Yellowknife Lithium Transaction was conducted by way of an amalgamation arrangement, which ultimately resulted in the Target becoming a wholly-owned subsidiary of Li-FT Power Ltd.

For accounting purposes, the amalgamation with the Target has been recorded as an asset acquisition as the Target is not considered to be a business when applying the guidance within IFRS 3 *Business Combinations.*

The consideration paid and the fair value of identifiable assets acquired and liabilities assumed from the Target were as follows:

Total Share Consideration paid (Note 10)	**$198,000**
Assets acquired and liabilities assumed	
Cash received	10,375
Loan receivable from Li-FT Power Ltd	755
Accounts payable	(46)
Exploration and evaluation properties (Note 8) – YLP	168,916
Exploration and evaluation properties (Note 8) – Cali	18,000
Net Assets Acquired	**$198,000**

(Unaudited - Expressed in thousands of Canadian dollars unless otherwise noted)

8. EXPLORATION AND EVALUATION PROPERTIES

Exploration and evaluation properties include the following amounts as at February 29, 2024 and November 30, 2023.

	Yellowknife Lithium Project	Cali Project	Rupert Project	Pontax Project	Moyenne Project	Total
	$	$	$	$	$	$
Balance, November 30, 2022	**-**	**-**	**9,979**	**25**	**-**	**10,004**
Acquisition costs	169,466	18,000	3,025	25	-	190,516
Exploration and evaluation expenditures						
Claims, taxes and holding costs	648	-	42	20	1	711
Salaries and share based payments	2,693	118	1,421	471	15	4,718
Drilling, exploration, and technical consultation	18,574	561	2,396	427	22	21,980
Assaying, field supplies and environmental consultation	7,099	89	1,371	235	-	8,794
Travel and other project expenses	518	26	144	37	-	725
Revenue Quebec Exploration Tax Credit	-	-	(1,144)	-	-	(1,144)
Total exploration and evaluation expenditures	29,532	794	4,230	1,190	37	35,784
Balance, November 30, 2023	**198,998**	**18,794**	**17,234**	**1,240**	**37**	**236,304**
Acquisition costs	700	-	-	-	-	700
Exploration and evaluation expenditures						
Claims, taxes and holding costs	212	-	2	1	1	216
Salaries and share based payments	1,148	37	42	14	4	1,245
Drilling, exploration, and technical consultation	4,642	8	57	2	2	4,711
Assaying, field supplies and environmental consultation	3,666	20	53	74	-	3,813
Travel and other project expenses	449	-	1	-	-	450
Revenue Quebec Exploration Tax Credit	-	-	(381)	-	-	(381)
Total exploration and evaluation expenditures	10,817	65	(226)	91	7	10,754
Balance, February 29, 2024	**209,815**	**18,859**	**17,008**	**1,331**	**44**	**247,058**

8. EXPLORATION AND EVALUATION PROPERTIES (continued)

The Company holds interests in two mineral properties in the Northwest Territories, being the Yellowknife property and the Cali property and three mineral properties in Quebec, being the Rupert property, the Pontax property and the Moyenne property. Key agreements for each are more particularly described below.

(i) NORTHWEST TERRITORIES

YELLOWKNIFE LITHIUM PROJECT

On December 30, 2022, the Company completed the acquisition of 1361516 B.C. Ltd. and the core of the Yellowknife Lithium Project (see Note 7). The Yellowknife Lithium Project is comprised of 13 mineral leases that cover most of the lithium pegmatites that make up the Yellowknife Pegmatite Province ("YPP"). The Property is subject to a 2% gross overriding royalty and in the case of 11 of the mineral leases, a 2% net profits royalty.

On February 18, 2023, the Company entered into an option agreement (the "YLP Option Agreement") with a private company holding a 100% interest in the Thompson-Lundmark Project (the "Property"), which comprises additional contiguous mineral leases, whereby the Company has been granted the sole and exclusive right to acquire a 100% interest in the Property (the "YLP Option"). The Property is subject to a 1.5% net smelter royalty upon exercise of the YLP Option, and of which one third (0.5%) may be purchased by the Company at any time for $500 in cash. The Company will retain a right of first refusal on the royalty.

In order to exercise the YLP Option, the Company must make aggregate cash payments of $3,000 and incur exploration expenditures on the Property over a two-year period as follows:

a) $550 cash payment due on execution of the YLP Option Agreement (paid on signing and included in the YLP acquisition costs of the exploration and evaluation properties table above);
b) $700 cash payment to be paid and $50 in exploration expenditures to be incurred by the first anniversary of the YLP Option Agreement (paid); and;
c) $1,750 cash payment to be paid and an additional $1,250 in exploration expenditures to be incurred by the second anniversary of the YLP Option Agreement.

CALI PROJECT

The Cali Project, acquired as part of the Yellowknife Lithium acquisition on December 30, 2022, is comprised of a certain mineral lease and several mineral claims within the Little Nahanni Pegmatite Group, located in Northwest Territories near the Yukon border. The Property is subject to a 2% gross overriding royalty.

(ii) QUEBEC

RUPERT PROJECT

The Rupert Project has been accumulated by entering into the following agreements:

(a) Rupert Option Agreement

On June 11, 2021, the Company entered into a definitive option agreement with Kenorland Minerals Ltd. ("Kenorland") pursuant to which the Company was granted the option to acquire up to a 100% interest in and to certain mineral claims at the Rupert, Pontax and Moyenne Projects (collectively known as the "Rupert Option Agreement").

8. EXPLORATION AND EVALUATION PROPERTIES (continued)

QUEBEC - RUPERT PROJECT - Rupert Option Agreement (continued)

In order to exercise the Rupert Option Agreement, the Company agreed to pay $200 in cash (paid) and to issue to Kenorland 9.9% of the Company's issued and outstanding shares upon closing (issued) and such number of additional common shares to maintain Kenorland's pro rata interest in the Company at 9.9% prior to the listing of the Company's common shares on a recognized stock exchange. This pro-rata commitment ended once the Company listed on the CSE in July 2022.

Upon the exercise of the Rupert Option Agreement, the Company is required to grant to Kenorland a 2% net smelter royalty in respect of the Rupert Property.

The Company is responsible for all operations conducted at the Rupert Property and has the exclusive right to manage and operate all programs. On closing, the Company entered into an operator agreement with Kenorland pursuant to which the Company engaged Kenorland as operator of the Rupert Property. The Company has agreed to pay an operator's fee to Kenorland equal to 10% of all exploration costs.

On February 2, 2022, the Company issued 1,751,913 common shares valued at $3,504 to Kenorland pursuant to the Rupert Option Agreement related to the Rupert Property (Note 10).

(b) James Bay Option Agreement

On August 11, 2021, the Company entered into a property option agreement (the "James Bay Option") to acquire a 100% undivided interest in and to certain mineral claims (the "James Bay Property"), subject to 2% net smelter returns royalty (the "NSR").

The James Bay Option may be exercised by the Company by making cash payments to the optionors in an aggregate amount of $100 as follows:

(i) $20, upon the execution and delivery of the James Bay Option by all parties (paid);
(ii) An additional $25, on or before the first anniversary of the James Bay Option (paid);
(iii) An additional $25, on or before the second anniversary of the James Bay Option (paid);
(iv) An additional $30, on or before the third anniversary of the James Bay Option.

(c) Whabouchi Purchase Agreement

On April 12, 2022, the Company entered into a mineral property purchase agreement with 9228-6202 Quebec Inc. to acquire a mineral claim located in James Bay, Quebec (the "Whabouchi Claims").

In consideration for the sale, transfer, assignment and conveyance of the property and the property rights, the Company paid an aggregate of $15 in cash and granted a 3.0% NSR. The Company has the right at any time to buy back 1.5% of the NSR upon payment of $2,000 in cash.

(d) Lac des Montagnes Option Agreement

On September 22, 2022, the Company entered into an option agreement (the "Montagnes Option Agreement") with 9219-8845 Quebec Inc. ("9219") and Steve LaBranche (collectively with 9219, the "Montagnes Optionors") pursuant to which the Company was granted the option to acquire a 100% interest in the Lac des Montagnes Lithium Property, located near Nemaska Village in the Province of Quebec (the "Lac des Montagnes Property").

8. EXPLORATION AND EVALUATION PROPERTIES (continued)

Under the terms of the Montagnes Option Agreement, the Company can earn a 100% interest in the Lac des Montagnes Property by issuing 225,000 common shares to the Montagnes Optionors on closing of the agreement (issued), paying an aggregate of $300 in cash, due upon signing (paid), and issuing in aggregate fully-paid common shares with a value of $3,000 to the Optionors. The payment schedule is as follows:

(i) $300 in cash (paid) and 225,000 LIFT Shares (issued and valued at $1,883) (Note 10) within five business days of the effective date;
(ii) An additional $1,500 in value of common shares of the Company on the 6-month anniversary of the effective date (issued 173,169 common shares on the anniversary date) (Note 10); and
(iii) An additional $1,500 in value of common shares of the Company on the 12-month anniversary of the effective date (issued 185,945 common shares on the anniversary date) (Note 10).

Immediately upon the exercise of the option, a 2% NSR is required to be granted in favour of the Montagnes Optionors. The Company has the right at any time to buy back 0.5% of the NSR upon payment of $500 in cash.

PONTAX PROJECT

In addition to the Pontax Project claims acquired through the Rupert Option Agreement with Kenorland, and associated 2% NSR, on July 20, 2022, the Company entered into a mineral property purchase agreement (the “Harfang Agreement”) with Harfang Exploration Inc. (“Harfang”) to acquire a 70% interest of Pontax mineral claims located in the James Bay region in Quebec (the "Pontax Property").

In accordance with the Harfang Agreement, the Company may exercise the first option to earn 51% interest by making payments in an aggregate amount of $100, as follows:

(i) $25 in cash (paid) upon the execution and delivery of the Harfang Agreement by both parties;
(ii) an additional $25 on or before the first anniversary date (paid);
(iii) an additional $25 on or before the second anniversary date;
(iv) an additional $25 on or before the third anniversary date; and
(v) incurring $1,650 in expenditures on the Pontax Property during the first option period which ends on the third anniversary date.

Upon the exercise of the first option, Harfang is contractually required to grant the second option. Within 60 days of the grant of the second option, the Company shall provide Harfang written notice that it either (a) accepts the grant of the second option, which shall be accompanied by a payment of $50 in cash or through the issuance of common shares, at the Company’s discretion or (b) elects not to accept the grant of the second option, in which case a joint venture is to be formed with the initial participating interest of 51% and 49% for the Company and Harfang, respectively.

To exercise the second option and acquire a further 19% interest (for an aggregate 70% interest), the Company is required to incur an additional $3,350 in expenditures on the Pontax Property by the sixth anniversary of the agreement.

(Unaudited - Expressed in thousands of Canadian dollars unless otherwise noted)

8. EXPLORATION AND EVALUATION PROPERTIES (continued)

PONTAX PROJECT (continued)

Upon the exercise of the second option, Harfang will have the option of converting its remaining participating interest of 30% into a 2.5% NSR or to form a joint venture to further explore the Pontax Property.

MOYENNE PROJECT

The Moyenne Project comprises additional claims acquired through the Rupert Option Agreement with Kenorland, and the associated 2% NSR.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities as at February 29, 2024 and November 30, 2023 consist of the following amounts:

	February 29, 2024	November 30, 2023
	$	$
Accounts payable	676	1,331
Accrued liabilities	1,701	907
Total accounts payable and accrued liabilities	**2,376**	**2,238**

10. SHARE CAPITAL

Authorized Share Capital

The Company has an authorized share capital of an unlimited number of common shares with no par value.

Share Issuances

a) **Brokered and Private Placement Financings**

During the year ended November 30, 2023

On November 17, 2023, the Company closed the brokered private placement of 1,437,500 flow-through common shares of the Company at a price of $8.65 per flow-through common share for aggregate gross proceeds of $12,434. The Company paid commissions and other capital raise related expenditures in the amount of $811 in relation to this private placement and recorded a flow-through premium liability of $3,568 (Note 12). In addition, the Company classified $151 of legal, professional, and filing fees related to this private placement as share issuance costs.

On March 22, 2023, the Company closed the brokered private placement of 2,602,500 flow-through common shares of the Company at a price of $13.45 per flow-through common share for aggregate gross proceeds of $35,004. The Company paid commissions and other capital raise related expenditures in the amount of $2,249 in relation to this private placement and recorded a flow-through premium liability of $13,926 (Note 12). In addition, the Company classified $47 of legal, professional, and filing fees related to this private placement as share issuance costs.

10. SHARE CAPITAL (continued)

b) **Shares issued for Exploration and Evaluation Properties**

During the year ended November 30, 2023:

On September 22, 2023, the Company issued 185,945 common shares valued at $1,500 in order to satisfy the third payment of its Lac des Montagnes option agreement (Note 8).

On March 22, 2023, the Company issued 173,169 common shares valued at $1,500 in order to satisfy the second payment of its Lac des Montagnes option agreement (Note 8).

On December 30, 2022, the Company issued 18,000,000 common shares valued at $198,000 ($11.03 per share) to the shareholders of 1361516 B.C. Ltd. to complete the acquisition of the Yellowknife Lithium project (Note 7).

c) **Stock options**

The Company has adopted a stock option plan that allows for the granting of stock options to Directors, Officers, employees and certain consultants of the Company for up to 10% of the Company's issued and outstanding common shares. Stock options granted under the plan may be subject to vesting provisions as determined by the Board of Directors.

On December 5, 2023, the Company granted 15,000 stock options for a period of five years at an exercise price of $10.00 per share to an employee of the Company. The options vest 25% on each of the 6,12,18 and 24-month anniversary dates.

On January 4, 2024, the Company granted 410,000 stock options for a period of five years at an exercise price of $7.00 per share to its directors, officers, employees, and consultants of the Company. The vesting terms are structured as follows: 165,000 options vest 25% on the grant date and an additional 25% on each of the 6, 12 and 18-month anniversary dates; and 245,000 options vest 50% on the 12-month anniversary and the remaining 50% vest on the 24-month anniversary dates.

Using the graded vesting method, for the three months ended February 29, 2024, $653 (2022, $nil) of the estimated fair value was recognized as share-based payments expense in the condensed interim consolidated statements of net loss and comprehensive loss, and $716 (2022, $nil) of the estimated fair value was capitalized to exploration and evaluation properties.

(Unaudited - Expressed in thousands of Canadian dollars unless otherwise noted)

10. SHARE CAPITAL (continued)

A summary of the changes in the Company's stock option activities during the three months February 29, 2024 and year ended November 30, 2023, is as follows:

	February 29, 2024		November 30, 2023	
	Number of options outstanding	Weighted average exercise price	Number of options outstanding	Weighted average exercise price
Outstanding, beginning	675,000	$10.00	-	-
Granted	425,000	$7.11	675,000	$10.00
Forfeiture	(50,000)	$10.00	-	-
Outstanding, ending	**1,050,000**	**$8.83**	**675,000**	**$10.00**

As at February 29, 2024, the following stock options were outstanding:

Number of options	Exercise price	Expiry date	Number of options vested
445,000	$10.00	April 15, 2028	111,250
80,000	$10.00	May 3, 2028	20,000
80,000	$10.00	June 1, 2028	-
20,000	$10.00	September 18, 2028	-
15,000	$10.00	December 5, 2028	-
410,000	$7.00	January 8, 2029	-
1,050,000	**$8.83**		**131,250**

The total fair value of the stock options granted in the period, February 29, 2024 was estimated to be $1,862 (weighted average fair value of $4.38 per option), calculated using the Black-Scholes Option Pricing Model, which used the following weighted average assumptions:

	Three months ended February 29, 2024
Exercise price	$7.11
Expected volatility	95%
Expected life of option	5 years
Risk-free annual interest	3.39%
Expected annual dividend	0%
Forfeiture rate	0%

(Unaudited - Expressed in thousands of Canadian dollars unless otherwise noted)

11. TRANSACTIONS WITH RELATED PARTIES AND KEY MANAGEMENT COMPENSATION

The Company's related parties consist of the Company's Directors and Officers and enterprises which are controlled by these individuals as well as persons performing similar functions. The compensation paid or payable to key management for services during the three months ended February 29, 2024 and three months ended February 28, 2023 is as follows:

Service or Item	February 29, 2024	February 28, 2023
	$	$
Directors' fees	23	-
Management, consulting fees and salaries	238	54
Share based compensation (expensed and capitalized)	873	-
Total	**1,134**	**54**

Included in accounts payable and accrued liabilities as at February 29, 2024 was $90 due to related parties (2023 - $54).

12. FLOW-THROUGH SHARE PREMIUM LIABILITY

The Company's flow-through share premium liability as at February 29, 2024 and November 30, 2023 consist of the following amounts:

	November 3, 2022	March 22, 2023	November 17, 2023	Total
	$	$	$	$
Balance as at November 30, 2023	**151**	**2,166**	**3,568**	**5,885**
Settlement of flow-through share premium liability upon incurring eligible expenditures	(151)	(2,141)	(1,185)	(3,478)
Balance as at February 29, 2024	**-**	**25**	**2,383**	**2,408**

As at February 29, 2024, the Company had $8,367 (November 30, 2023 – $18,201) of flow-through expenditure commitments to fulfill the flow-through requirements. The Company reversed the associated flow-through share premium liability and recognised a deferred income tax recovery of $3,478 (2022 - $nil) in the Company's condensed interim consolidated financial statements for the period ended February 29, 2024.

13. FINANCIAL INSTRUMENTS

Financial assets are reviewed at the end of each reporting period for objective evidence indicating that changes in the market, economic, or legal environment has had a negative effect on the estimated future cash flows of the asset or group of assets. The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

Fair values have been determined for measurement and/or disclosure requirements based on the methods below. The Company characterizes fair value measurements using a hierarchy that

13. FINANCIAL INSTRUMENTS (continued)

prioritizes inputs depending on the degree to which they are observable. The three levels of the fair value hierarchy are as follows:

● Level 1 fair value measurements are quoted prices (unadjusted) in active markets for identical assets or liabilities;

● Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

● Level 3 fair value measurements are those derived from valuation techniques that include significant inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying values of cash and cash equivalents, accounts payable, accrued liabilities and lease liabilities approximated their fair values because of the short-term nature of these financial instruments. These financial instruments are financial assets and liabilities at amortized cost.

14. SEGMENT INFORMATION

The Company operates in a single reportable operating segment, being the acquisition, exploration and development of its Canadian exploration and evaluation properties.

15. RISK MANAGEMENT AND CAPITAL DISCLOSURES

The Company is exposed to various financial risks as detailed below:

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's primary credit risk is associated with its Canadian cash balances, which are held through major Canadian financial institutions with high investment grade ratings. The carrying value of the Company's cash and cash equivalents totalling $6,590 represents the Company's maximum exposure to credit risk as at February 29, 2024 (2023 - $17,737).

Liquidity Risk

Without operating revenues, the Company is subject to liquidity risk such that it may not be able to meets its obligations under its financial instruments as they fall due (Note 2). The Company manages this risk by maintaining cash balances to ensure that it is able to meet its short-term and long-term obligations as and when they fall due. Cash projections are regularly updated to reflect the dynamic nature of the business. To date, the Company's capital requirements have been met by equity subscriptions. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable.

Interest Rate Risk

Interest rate risk relates to the effect on the Company's financial instruments due to changes in market rates of interest. The Company holds cash and cash equivalents, which earn market rates of interest. The Company considers its interest rate risk in respect of these instruments to be immaterial.

15. RISK MANAGEMENT AND CAPITAL DISCLOSURES (continued)

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of the Company's financial instruments will fluctuate due to changes in exchange rates. As at February 29, 2024, the Company carried immaterial accounts payable balances denominated in foreign currencies, which are subject to currency risk due to fluctuations in the exchange rates with the Canadian dollar. Due to the volatility of the exchange rates between the Canadian dollar, and the U.S. dollar, such currency risk could result in future gains or losses to the Company.

16. SUBSEQUENT EVENTS

On March 27, 2024, the Company announced the completion of a brokered financing of 1,179,500 flow-through common shares of the Company at a price of $6.05 per flow-through common share for aggregate gross proceeds of $7,136. The Company will pay commissions and other capital raise related expenditures related to this brokered financing. Concurrently, the Company also completed a non-brokered private placement financing of 689,660 flow-through common shares of the Company at a price of $4.35 per flow-through common share for aggregate gross proceeds of $3,000. No commissions or fees were payable in connection with this placement.